

## Registre de Commerce et des Sociétés

Numéro RCS : B95565

Référence de dépôt : L160185260

Déposé et enregistré le 03/10/2016

JASQIBP20160520T09521701\_001

RCSL Nr. : B95565

Matricule : 1993 2204 196

eCDF entry date : 30/09/2016

## BALANCE SHEET

Financial year from <sup>01</sup> 01/04/2015 to <sup>02</sup> 31/03/2016 (in <sup>03</sup> EUR )

FANUC Europe Corporation

ZONE INDUSTRIELLE

L-6468 ECHTERNACH

## ASSETS

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 189.190.148,00	110 184.844.353,00
I. Intangible fixed assets	1111 _____ 3	111 9.047.747,00	112 10.226.012,00
1. Research and development costs	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____ 3	115 8.505.858,00	116 8.976.497,00
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____ 3	117 8.505.858,00	118 8.976.497,00
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible fixed assets under development	1123 _____ 3	123 541.889,00	124 1.249.515,00
II. Tangible fixed assets	1125 _____ 3	125 27.635.302,00	126 20.960.284,00
1. Land and buildings	1127 _____ 3	127 20.583.658,00	128 15.643.377,00
2. Plant and machinery	1129 _____ 3	129 2.493.588,00	130 942.491,00

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 <u>3</u>	131 <u>3.009.567,00</u>	132 <u>1.801.555,00</u>
4. Payments on account and tangible fixed assets under development	1133 <u>3</u>	133 <u>1.548.489,00</u>	134 <u>2.572.861,00</u>
III. Financial fixed assets	1135 <u>4</u>	135 <u>152.507.099,00</u>	136 <u>153.658.057,00</u>
1. Shares in affiliated undertakings	1137 <u>4</u>	137 <u>152.507.099,00</u>	138 <u>153.658.057,00</u>
2. Amounts owed by affiliated undertakings	1139 _____	139 _____	140 _____
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141 _____	141 _____	142 _____
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Securities and other financial instruments held as fixed assets	1145 _____	145 _____	146 _____
6. Loans and claims held as fixed assets	1147 _____	147 _____	148 _____
7. Own shares or own corporate units	1149 _____	149 _____	150 _____
<b>D. Current assets</b>	1151 _____	151 <u>411.990.156,00</u>	152 <u>369.258.390,00</u>
I. Inventories	1153 <u>5</u>	153 <u>159.578.150,00</u>	154 <u>107.108.893,00</u>
1. Raw materials and consumables	1155 _____	155 _____	156 <u>81.221,00</u>
2. Work and contracts in progress	1157 _____	157 <u>123.911,00</u>	158 <u>0,00</u>
3. Finished goods and merchandise	1159 <u>5</u>	159 <u>159.454.239,00</u>	160 <u>107.027.672,00</u>
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 <u>57.593.681,00</u>	164 <u>59.827.489,00</u>
1. Trade receivables	1165 _____	165 <u>2.464.537,00</u>	166 <u>788.781,00</u>
a) becoming due and payable within one year	1167 _____	167 <u>2.464.537,00</u>	168 <u>788.781,00</u>
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 <u>10</u>	171 <u>47.321.368,00</u>	172 <u>46.618.383,00</u>
a) becoming due and payable within one year	1173 <u>10</u>	173 <u>47.321.368,00</u>	174 <u>46.618.383,00</u>
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____

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	Reference(s)	Current year	Previous year
4. Other receivables	1183 <u>6</u>	183 <u>7.807.776,00</u>	184 <u>12.420.325,00</u>
a) becoming due and payable within one year	1185 _____	185 <u>973.345,00</u>	186 <u>966.851,00</u>
b) becoming due and payable after more than one year	1187 _____	187 <u>6.834.431,00</u>	188 <u>11.453.474,00</u>
III. Transferable securities and other financial instruments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by virtue of participating interests	1191 _____	191 _____	192 _____
2. Own shares or own corporate units	1193 _____	193 _____	194 _____
3. Other transferable securities and other financial instruments	1195 _____	195 _____	196 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>194.818.325,00</u>	198 <u>202.322.008,00</u>
<b>E. Prepayments</b>	1199 _____	199 <u>993.648,00</u>	200 <u>1.040.693,00</u>
<b>TOTAL (ASSETS)</b>		201 <u>602.173.952,00</u>	202 <u>555.143.436,00</u>

**LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>7</u>	301 <u>417.507.493,00</u>	302 <u>362.151.283,00</u>
I. Subscribed capital	1303 <u>7</u>	303 <u>110.961.000,00</u>	304 <u>110.961.000,00</u>
II. Share premium and similar premiums	1305 <u>7</u>	305 <u>191.882.848,00</u>	306 <u>191.882.848,00</u>
III. Revaluation reserves	1307	307	308
IV. Reserves	1309 <u>7</u>	309 <u>19.542.581,00</u>	310 <u>16.306.333,00</u>
1. Legal reserve	1311 <u>7</u>	311 <u>6.132.581,00</u>	312 <u>4.696.333,00</u>
2. Reserve for own shares or own corporate units	1313	313	314
3. Reserves provided for by the articles of association	1315	315	316
4. Other reserves	1317 <u>7</u>	317 <u>13.410.000,00</u>	318 <u>11.610.000,00</u>
V. Profit or loss brought forward	1319 <u>7</u>	319 <u>7.098.000,00</u>	320 <u>16.084.831,00</u>
VI. Profit or loss for the financial year	1321 <u>7</u>	321 <u>88.023.064,00</u>	322 <u>26.916.271,00</u>
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
IX. Temporarily not taxable capital gains	1327	327	328
<b>B. Subordinated debts</b>	1329	329	330
1. Convertible loans	1413	413	414
a) becoming due and payable within one year	1415	415	416
b) becoming due and payable after more than one year	1417	417	418
2. Non convertible loans	1419	419	420
a) becoming due and payable within one year	1421	421	422
b) becoming due and payable after more than one year	1423	423	424
<b>C. Provisions</b>	1331	331 <u>16.072.971,00</u>	332 <u>12.777.989,00</u>
1. Provisions for pensions and similar obligations	1333 <u>8</u>	333 <u>1.833.386,00</u>	334 <u>2.131.423,00</u>
2. Provisions for taxation	1335	335	336
3. Other provisions	1337 <u>9</u>	337 <u>14.239.585,00</u>	338 <u>10.646.566,00</u>
<b>D. Non subordinated debts</b>	1339	339 <u>165.588.027,00</u>	340 <u>177.595.826,00</u>
1. Debenture loans	1341	341	342
a) Convertible loans	1343	343	344
i) becoming due and payable within one year	1345	345	346
ii) becoming due and payable after more than one year	1347	347	348

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	Reference(s)	Current year	Previous year
b) Non convertible loans	1349 _____	349 _____	350 _____
i) becoming due and payable within one year	1351 _____	351 _____	352 _____
ii) becoming due and payable after more than one year	1353 _____	353 _____	354 _____
2. Amounts owed to credit institutions	1355 _____	355 <u>0,00</u>	356 <u>1.889,00</u>
a) becoming due and payable within one year	1357 _____	357 <u>0,00</u>	358 <u>1.889,00</u>
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361 _____	361 <u>338.880,00</u>	362 <u>0,00</u>
a) becoming due and payable within one year	1363 _____	363 <u>338.880,00</u>	364 <u>0,00</u>
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>4.419.386,00</u>	368 <u>4.953.947,00</u>
a) becoming due and payable within one year	1369 _____	369 <u>4.419.386,00</u>	370 <u>4.953.947,00</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>146.660.763,00</u>	380 <u>162.975.351,00</u>
a) becoming due and payable within one year	1381 <u>10</u>	381 <u>146.660.763,00</u>	382 <u>162.975.351,00</u>
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Tax and social security debts	1391 _____	391 <u>13.339.345,00</u>	392 <u>9.090.721,00</u>
a) Tax debts	1393 <u>14</u>	393 <u>12.681.575,00</u>	394 <u>8.544.522,00</u>
b) Social security debts	1395 _____	395 <u>657.770,00</u>	396 <u>546.199,00</u>

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	Reference(s)	Current year	Previous year
9. Other creditors	1397 _____	397 <u>829.653,00</u>	398 <u>573.918,00</u>
a) becoming due and payable within one year	1399 _____	399 <u>829.653,00</u>	400 <u>573.918,00</u>
b) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>E. Deferred income</b>	1403 _____	403 <u>3.005.461,00</u>	404 <u>2.618.338,00</u>
<b>TOTAL (LIABILITIES)</b>		405 <u>602.173.952,00</u>	406 <u>555.143.436,00</u>

## Registre de Commerce et des Sociétés

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## PROFIT AND LOSS ACCOUNT

Financial year from <sup>01</sup> 01/04/2015 to <sup>02</sup> 31/03/2016 (in <sup>03</sup> EUR )

FANUC Europe Corporation

ZONE INDUSTRIELLE  
L-6468 ECHTERNACH

## A. CHARGES

	Reference(s)	Current year	Previous year
<b>1. Use of merchandise, raw materials and consumable materials</b>	1601 _____	601 <u>484.361.304,00</u>	602 <u>376.807.867,00</u>
<b>2. Other external charges</b>	1603 _____	603 <u>19.591.305,00</u>	604 <u>14.850.618,00</u>
<b>3. Staff costs</b>	1605 _____ <b>11</b>	605 <u>26.492.409,00</u>	606 <u>22.531.860,00</u>
a) Salaries and wages	1607 _____	607 <u>23.607.925,00</u>	608 <u>20.881.951,00</u>
b) Social security on salaries and wages	1609 _____	609 <u>2.884.484,00</u>	610 <u>1.649.909,00</u>
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
<b>4. Value adjustments</b>	1615 _____	615 <u>5.081.653,00</u>	616 <u>4.485.754,00</u>
a) on formation expenses and on tangible and intangible fixed assets	1617 _____ <b>3</b>	617 <u>5.081.653,00</u>	618 <u>4.485.754,00</u>
b) on current assets	1619 _____	619 _____	620 _____
<b>5. Other operating charges</b>	1621 _____	621 _____	622 _____
<b>6. Value adjustments and fair value adjustments on financial fixed assets</b>	1623 _____ <b>4</b>	623 <u>0,00</u>	624 <u>1.131.156,00</u>
<b>7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities</b>	1625 _____	625 _____	626 _____
<b>8. Interest and other financial charges</b>	1627 _____	627 <u>5.006.108,00</u>	628 <u>5.142.645,00</u>
a) concerning affiliated undertakings	1629 _____	629 <u>11.164,00</u>	630 <u>122.578,00</u>
b) other interest and similar financial charges	1631 _____	631 <u>4.994.944,00</u>	632 <u>5.020.067,00</u>

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
<b>9. Share of losses of undertakings accounted for under the equity method</b>	1649 _____	649 _____	650 _____
<b>10. Extraordinary charges</b>	1633 _____	633 <u>19.923,00</u>	634 <u>116.337,00</u>
<b>11. Income tax</b>	1635 _____	635 <u>4.790.187,00</u>	636 <u>2.785.080,00</u>
<b>12. Other taxes not included in the previous caption</b>	1637 _____	637 <u>52.543,00</u>	638 <u>1.099.658,00</u>
<b>13. Profit for the financial year</b>	1639 _____	639 <u>88.023.064,00</u>	640 <u>26.916.271,00</u>
<b>TOTAL CHARGES</b>		641 <u>633.418.496,00</u>	642 <u>455.867.246,00</u>



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**B. INCOME**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 <u>12</u>	701 <u>485.002.281,00</u>	702 <u>413.749.622,00</u>
<b>2. Change in inventories of finished goods and of work and contracts in progress</b>	1703 <u>5</u>	703 <u>52.345.346,00</u>	704 <u>10.096.951,00</u>
<b>3. Fixed assets under development</b>	1705 _____	705 _____	706 _____
<b>4. Reversal of value adjustments</b>	1707 <u>5</u>	707 <u>46.734,00</u>	708 <u>670.610,00</u>
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 <u>5</u>	711 <u>46.734,00</u>	712 <u>670.610,00</u>
<b>5. Other operating income</b>	1713 _____	713 <u>12.883.068,00</u>	714 <u>11.114.193,00</u>
<b>6. Income from financial fixed assets</b>	1715 _____	715 <u>76.273.042,00</u>	716 <u>13.371.206,00</u>
a) derived from affiliated undertakings	1717 <u>13</u>	717 <u>76.273.042,00</u>	718 <u>13.371.206,00</u>
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>7. Income from financial current assets</b>	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 _____	726 _____
<b>8. Other interest and other financial income</b>	1727 _____	727 <u>6.868.025,00</u>	728 <u>6.864.664,00</u>
a) derived from affiliated undertakings	1729 _____	729 <u>13.914,00</u>	730 <u>59.566,00</u>
b) other interest and similar financial income	1731 _____	731 <u>6.854.111,00</u>	732 <u>6.805.098,00</u>
<b>9. Share of profits of undertakings accounted for under the equity method</b>	1745 _____	745 _____	746 _____
<b>10. Extraordinary income</b>	1733 _____	733 _____	734 _____
<b>13. Loss for the financial year</b>	1735 _____	735 <u>0,00</u>	736 <u>0,00</u>
<b>TOTAL INCOME</b>		737 <u>633.418.496,00</u>	738 <u>455.867.246,00</u>

**FANUC Europe Corporation****DIRECTORS' REPORT ON THE STANDALONE ANNUAL ACCOUNTS**

To the Shareholders of FANUC Europe Corporation:

**1.) Business Development**

The Financial Year 2015/2016 (April 1, 2015 to March 31, 2016) was yet another successful year for FANUC Europe Corporation ("FEC" or "the Company") and its subsidiaries (the "Group"). Sales and order intake increased further compared to strong levels of the previous Financial Year 2014/15. Sales and order intake remained strong in most European countries including most of the major automation markets like Germany, Italy, France and Spain as well as Eastern Europe. This was partially offset by lower demand in Switzerland.

There is a continuing trend for growing market demand in factory automation solutions in most of Europe. This is especially true for industrial robot sales where the market continues to grow.

After all merger activities have been finalized in the prior Financial Year we continued our actions to integrate operational and administrative processes in various areas such as Sales, Marketing, Supply Chain and Administration between Factory Automation, Robotics and Robomachine divisions, in the headquarter as well as in various subsidiaries.

All major subsidiaries have been integrated into a common ERP system and we continued to implement enhancements and new business tools such as for example a new Business Intelligence software.

In the Financial Year 2015/16 we further aligned and localized strategies between the three divisions which resulted in further sales growth especially in the Robomachine division. We also put increased focus on strengthening our sales and marketing activities in general which contributed to the overall sales growth and allowed us to successfully expand our customer base in various industries.

We will further strive to generate synergies by streamlining our processes and through introduction and enhancement of IT Business Tools. We will make further progress to grow market share in local markets in Europe. This reaffirms our commitment to maintain and expand our reputation as a global leader in Factory Automation ("FA").

## FANUC Europe Corporation

### 2.) Financial Update

During the FY 2015/16 net turnover of FEC increased by 17% mainly due to an increase of business in general and therefore increase of orders and sales in the subsidiaries.

Net profit increased from K EUR 26 916 to K EUR 88 023 which however includes dividend income of K EUR 77 674 received from subsidiaries which has to be taken into consideration.

Overall profit situation was stable. The additional profit from higher sales was partially offset by a less favourable JPY/EUR exchange rate. The average rate was at 133 JPY/EUR during the FY 2015/16 compared to 138 JPY/EUR in FY 2014/15. FEC has a significant foreign exchange risk since the purchases of FEC are operated mainly in JPY.

### 3.) Corporate Governance

One of the most basic principles of FEC is the focus on **Technology** to ensure we stay ahead of competitors. We have a culture of **Continuous Improvement and concentrate on our business of Factory Automation**. We do not use external borrowings but grow the business by **own funds**. Currency hedging instruments are only used in exceptional cases to cover currency risks of the JPY/EUR exchange rate for large projects. The use of any other derivative financial instruments is disallowed by corporate policies.

FEC has adequate internal corporate policies and is ISO certified. We have introduced a compliance position already a few years ago. Several compliance projects have been worked on in FY 2015/16 and the compliance policies have been improved further. FEC has successfully been audited based on J-SOX standards.

We will continue to expand the compliance activities in future years and integrate it further into our company culture.

### 4.) Risks and uncertainties

Main risks and uncertainties include the foreign exchange risk, liquidity risk, cash collections risks and staff risk. FEC is exposed to the evolution of the JPY/EUR exchange rate since the purchase prices in Japan are denominated in JPY. The exchange rate relation was quite favourable in FY 2015/16 however not as favourable as in the prior year. FEC is allowed to do currency hedging only in very limited and exceptional cases. Based on internal corporate policies, the currency risk is partially offset by an internal mechanism to share the currency change impact for certain products with the parent FANUC Corporation.

The liquidity risk is low because of the good profit situation and healthy cash levels. FEC also puts strict focus on inventory reduction and cost cutting exercises to ensure on-going profitability and to keep cash levels high. FEC does not have any bank debt and does not plan to have any in the future.

## **FANUC Europe Corporation**

FEC is exposed to price risk as a result of its operations. This includes the risk of price increases from suppliers. FEC purchases most of its goods from the parent company in Japan which will adjust their sales prices to FEC on a regular basis.

Credit risk includes the loss arising from customers who do not pay invoices when due. Such cash collection risk cannot be eliminated completely and is managed by strict credit control mechanisms in the subsidiaries and branches. This includes advance credit checks and strict control over credit limits. In some cases guarantees and contractual collaterals are used to reduce cash collection risks.

While it continues to be difficult to find qualified employees for certain positions on the market, FEC ensures to maintain a high level of qualification through internal trainings and strict selection in the hiring process combined with competitive compensation packages.

Staff risks include the risk of being able to hire and train sufficiently qualified staff to execute the required tasks. FEC has increased its full time equivalent headcount number from 185 employees end of March 2015 to 216 employees end of March 2016.

### **5.) Subsequent events**

There are no subsequent events

### **6.) Research and development**

FEC does not conduct direct research and development activities. Those activities are executed by the parent company.

### **7.) Outlook**

We are expecting the market economic demand in the FY 2016/17 to be stable. Demand in the large industrial countries like Germany, France and Italy remains on a good level beginning of FY 2016/17. At the same time there are uncertainties with regards to the political and economic situation in some countries like Switzerland, Turkey and Russia. In addition there is still certain ongoing financial instability within the EU. Especially the Brexit vote might negatively influence the market situation in the UK and the EU in general as well as the JPY/EUR exchange rate development.

At the same time it is likely that the market demand for factory automation products will increase further.

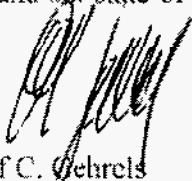
Based on our budget expectations we plan to increase bookings and billings compared to FY 2015/16. Large variations could mainly occur due to major projects in the automotive industry which would have a significant impact on the units sold. Main areas of growth are planned to be the Robomachine division which is planned to benefit further from changes in

## FANUC Europe Corporation

our sales strategy and a stronger localized approach. The Robots division is also planned to grow due to further trend towards automation combined with our strong product portfolio and market standing.

Profitability is expected to be on a satisfactory level in FY 2016/17 but could be reduced compared to FY 2015/16 due to negative development of the JPY/EUR exchange rate.

FEC will continue to benefit from new products that will be introduced by its parent company which invests heavily in research and development activities. We will therefore be able to expand our state-of-the-art product range to further reinforce our market position.



Olaf C. Gehrels  
Managing Director & CEO  
on behalf of the Board of Directors

Echternach, 20 July 2016



## Audit report

To the Shareholder of  
**FANUC Europe Corporation S.A.**

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### Report on the annual accounts

We have audited the accompanying annual accounts of FANUC Europe Corporation S.A., which comprise the balance sheet as at 31 March 2016, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
 T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
 R.C.S. Luxembourg B 65 477 - TVA LU25482518



*Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of FANUC Europe Corporation S.A. as of 31 March 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

**Report on other legal and regulatory requirements**

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 20 July 2016

A handwritten signature in black ink, appearing to read 'Véronique Tinel', with a stylized flourish at the end.

Véronique Tinel

## **FANUC Europe Corporation**

### **Notes to the annual accounts**

#### **Note 1 - Organisation**

FANUC Europe Corporation (“FEC” or “the Company”) was incorporated as a “Société Anonyme” under the laws of Luxembourg on April 27, 1993, under the previous name of “FANUC Robotics Europe S.A.”. FEC commenced its activities in April 1994. The main activities of the former “FANUC Robotics Europe S.A.” were the sale and servicing of robots in Europe which were manufactured by FANUC Corporation, Japan.

Effective April 1, 2012 the shareholder FANUC Corporation has decided to bundle its European Business Operations and therefore to merge former “FANUC Robotics Europe S.A.” and its affiliated company “FANUC FA Europe S.A. (Luxembourg)” (merger by absorption) and transfer all shares of FANUC Robomachine Europe GmbH (Germany) to FEC (contribution in kind).

Since the merger the main activities of FEC include the sale and servicing of Factory Automation Products including CNC controls, lasers, industrial robots, and machinery into the European market. Most of FEC’s business transactions are carried out with subsidiaries of FEC. FEC also coordinates the activities of its subsidiaries and provides European wide support functions such as management, technical support, administrative support and logistics.

Based on the criteria defined by Luxembourg law, FEC is exempt from the obligation to draw up consolidated financial statements and a consolidated management report for the year ended March 31, 2016. Therefore, in accordance with the legal provisions, these annual accounts were presented on a non-consolidated basis for the approval of the shareholders during the Annual General Meeting.

The Company also prepares consolidated financial statements which are published according to the provisions of the law.

The consolidated financial statements of FEC are included in the consolidated accounts of FANUC Corporation, the ultimate parent company of FEC. FANUC Corporation is a company incorporated under Japanese law whose registered office is established at at. 401 – 0597 Yamanashi prefecture Oshino Mura, Japan. Consolidated financial statements of FANUC Corporation may be obtained at their registered office or on their official website.



## FANUC Europe Corporation

### Notes to the annual accounts (cont.)

#### Note 2 - Summary of significant accounting policies

##### 2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation rules are, beside the one laid down by the Law of December 19, 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and result fairly.

The Board of Directors makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The main valuation rules applied by the Company are the following:

##### 2.2. Tangible and intangible fixed assets

###### 2.2.1 Intangible fixed assets

Intangible fixed assets are recorded at their acquisition cost and amortized over the estimated useful lives of the assets using the straight-line method.

The amortization rates used are as follows:

Software licenses	20 - 33%
Robomachine customer contracts	20%

Intangible fixed assets are subject to write-down for durable decrease in value. These write-downs may not be continued if the reasons for which they were made have ceased to apply.

###### 2.2.2 Tangible fixed assets

Tangible fixed assets are recorded at their acquisition cost and depreciated over the estimated useful lives of the assets using the straight-line method.

Tangible fixed assets are subject to write-down for durable decrease in value. These write-downs may not be continued if the reasons for which they were made have ceased to apply.

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 2 - Summary of significant accounting policies (cont.)****2.2.2 Tangible fixed assets (cont.)**

The depreciation rates used are as follows:

Buildings	4 %
Leasehold assets	the shorter of life of lease or useful life
Plant and Machinery	20 - 33%
Other fixtures and fittings, tools and equipment	20 - 33%

**2.3 Shares in affiliated undertakings**

Shares in affiliated undertakings are valued at cost less any write-down for durable decrease in value. Write-down may not be continued if the reasons for which they were made have ceased to apply.

**2.4 Foreign currency translation**

The company maintains its books and records in EUR.

Assets and liabilities denominated in currencies other than EUR are translated at the year-end exchange rates, except for non-monetary accounts, which are translated using historical exchange rates.

Transactions denominated in currencies other than EUR are translated at monthly rates which approximate the exchange rates prevailing at the transaction date. Related gains and losses are recognised in the profit and loss account.

Solely the unrealized exchange losses are recorded in the profit and loss account.

Exchange rates in effect as at March 31, 2016, for currencies in which the Company has significant positions are as follows:

Great Britain Pound Sterling	1 EUR =	0.7916
Japanese Yen	1 EUR =	127.9000
Swiss Franc	1 EUR =	1.0931
Swedish Krona	1 EUR =	9.2253
US Dollar	1 EUR =	1.1385
Czech Republic Koruna	1 EUR =	27.0550
Polish Zloty	1 EUR =	4.2684

## **FANUC Europe Corporation**

### **Notes to the annual accounts (cont.)**

#### **Note 2 - Summary of significant accounting policies (cont.)**

##### **2.5 Inventory**

Management exercises judgement to ensure that the method chosen to allocate costs to stocks provides the fairest possible approximation to cost. The same computation methodology is used for all inventories that have a similar nature and use to the entity.

- Robots and CNC are individually measured with the standard cost method;
- The cost of the spare parts is determined by using an average weighted cost.

Subsequent to their initial recognition, inventories are valued at lower of cost or market value. A value adjustment is recorded where the market value is below the cost. This value adjustment is not continued if reasons for which they were made ceased to apply.

The Company has established reserves to cover risks of slow moving and excess of stock. These allowances may not be continued if the reasons for which they were made have ceased to apply.

##### **2.6 Debtors**

Debtors are recorded at nominal value less any allowance for doubtful accounts. This allowance may not be continued if the reasons for which it was made have ceased to apply.

##### **2.7 Prepayments**

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

##### **2.8 Provisions**

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

##### **2.9 Provisions for pension and similar obligations**

For defined benefit plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as a complementary pension expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 2 - Summary of significant accounting policies (cont.)****2.9 Provisions for pension and similar obligations (cont.)**

A defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the balance sheet date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are charged or credited in the profit or loss in the period in which they arise.

Past-service costs are recognised immediately in the profit or loss.

**2.10 Debts**

Debts are recorded at the reimbursement value.

**2.11 Deferred income**

This liability item includes income received during the financial year but relating to a subsequent financial year.

**2.12 Warranty**

The Company accrues for warranties at standard rates per unit sold which is either a fixed amount per unit or a percentage of the sales price representing the portion of expected costs to arise within the warranty period.

The Company continuously monitors its per unit rates of accrual for warranties.

**2.13 Net turnover**

The net turnover comprises the amounts derived from the sale of products and the provision of services falling within the Company's ordinary activities, after deduction of sales rebates and value added tax.

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 3 - Intangible and tangible fixed assets****Intangible fixed assets**

An analysis of the movements in intangible fixed assets during the year ended March 31, 2016 is as follows:

	<u>Licenses</u>	<u>Payments on account and intangible fixed assets under development</u>	<u>Total Intangible fixed Assets</u>
	EUR	EUR	EUR
<b>Gross book value - April 1, 2015</b>	<b>12 669 820</b>	<b>1 249 515</b>	<b>13 919 335</b>
Additions for the year	774 704	541 889	<b>1 316 593</b>
Transfers for the year	1 498 615	(1 249 515)	<b>249 100</b>
Disposals for the year	<u>(159 102)</u>	<u>0</u>	<u><b>(159 102)</b></u>
<b>Gross book value - March 31, 2016</b>	<b>14 784 037</b>	<b>541 889</b>	<b>15 325 926</b>
 <b>Accumulated amortization - April 1, 2015</b>	 <b>3 693 323</b>	 <b>0</b>	 <b>3 693 323</b>
Amortizations for the year	2 743 958	0	<b>2 743 958</b>
Disposals for the year	<u>(159 102)</u>	<u>0</u>	<u><b>(159 102)</b></u>
<b>Accumulated amortization - March 31, 2016</b>	<b>6 278 179</b>	<b>0</b>	<b>6 278 179</b>
 <b>Net book value - April 1, 2015</b>	 <u><b>8 976 497</b></u>	 <u><b>1 249 515</b></u>	 <u><b>10 226 012</b></u>
<b>Net book value - March 31, 2016</b>	<u><b>8 505 858</b></u>	<u><b>541 889</b></u>	<u><b>9 047 747</b></u>

## FANUC Europe Corporation

## Notes to the annual accounts (cont.)

## Note 3 - Intangible and tangible fixed assets (cont.)

## Tangible fixed assets

An analysis of the movements in tangible fixed assets during the year ended March 31, 2016 is as follows:

	<u>Land and Buildings</u>	<u>Plant and machinery</u>	<u>Other fixtures and fittings, tools and equipment</u>	<u>Payments on account and tangible fixed assets under development</u>	<u>Total Tangible fixed Assets</u>
	EUR	EUR	EUR	EUR	EUR
<b>Gross book value - April 1, 2015</b>	<b>21 819 356</b>	<b>5 628 674</b>	<b>4 377 786</b>	<b>2 572 861</b>	<b>34 398 677</b>
Additions for the year	3 653 540	1 893 718	2 248 742	1 547 426	9 343 426
Transfers for the year	2 214 511	99 923	8 264	(2 571 798)	(249 100)
Disposals for the year	<u>0</u>	<u>(849 360)</u>	<u>(810 413)</u>	<u>0</u>	<u>(1 659 773)</u>
<b>Gross book value March 31, 2016</b>	<b>27 687 407</b>	<b>6 772 955</b>	<b>5 824 379</b>	<b>1 548 489</b>	<b>41 833 230</b>
<b>Accumulated Depreciation - April 1, 2015</b>	<b>6 175 979</b>	<b>4 686 183</b>	<b>2 576 231</b>	<b>0</b>	<b>13 438 393</b>
Depreciation for the year	927 770	473 373	936 423	0	2 337 566
Transfers for the year	0	(47 883)	47 883	0	0
Disposals for the year	<u>0</u>	<u>(832 306)</u>	<u>(745 725)</u>	<u>0</u>	<u>(1 578 031)</u>
<b>Accumulated Depreciation - March 31, 2016</b>	<b>7 103 749</b>	<b>4 279 367</b>	<b>2 814 812</b>	<b>0</b>	<b>14 197 928</b>
<b>Net book value - April 1, 2015</b>	<b>15 643 377</b>	<b>942 491</b>	<b>1 801 555</b>	<b>2 572 861</b>	<b>20 960 284</b>
<b>Net book value - March 31, 2016</b>	<b>20 583 658</b>	<b>2 493 588</b>	<b>3 009 567</b>	<b>1 548 489</b>	<b>27 635 302</b>

The increase in the buildings is due to the extension of the warehouse and of the repair center.

## FANUC Europe Corporation

## Notes to the annual accounts (cont.)

## Note 4 - Financial fixed assets

Financial assets represent long-term participations in affiliated undertakings wholly owned by the Company.

Name of the Company	% of ownership	Country of registered office	Carrying value March 31, 2016 (EUR 000)	Net equity (*) March 31, 2016 (EUR 000)	Result (*) March 31, 2016 (EUR 000)
FANUC Deutschland GmbH	100.0%	Germany	91 926	86 425	7 648
FANUC France S.A.S.	100.0%	France	22 984	63 947	5 745
FANUC UK Ltd	100.0%	UK	21 809	36 848	5 911
FANUC Italia S.r.l.	100.0%	Italy	3 958	59 512	9 781
FANUC Iberia S.A.U.	100.0%	Spain	3 160	15 171	2 617
FANUC Switzerland GmbH	100.0%	Switzerland	636	50 913	5 912
FANUC Czech s.r.o.	100.0%	Czech Republic	429	5 956	2 018
FANUC Hungary Kft.	100.0%	Hungary	354	5 846	2 106
FANUC LLC	100.0%	Russia	1 510	5 433	1 466
FANUC Polska Sp.z.o.o.	100.0%	Poland	333	7 327	2 502
FANUC Nordic AB	100.0%	Sweden	760	8 387	704
FANUC Turkey Endustriyel Otomasyon Tic. Ltd. Şti.	100.0%	Turkey	1 365	9 147	2 130
FANUC Bulgaria EOOD	100.0%	Bulgaria	1 261	3 370	348
FANUC Adria d.o.o.	100.0%	Slovenia	750	1 737	510
FANUC Österreich GmbH	100.0%	Austria	1 000	2 144	744
FANUC Ukraine LLC	99.99%	Ukraine	272	240	19
<b>Total</b>			<b><u>152 507</u></b>		

(\*) The accounting policies of the applicable countries of incorporation may differ from those applicable in Luxembourg.

No impairment on financial fixed assets was booked during the year.

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 4 - Financial fixed assets (cont.)**

The movements for the year are as follows:

	<b>Affiliated undertakings Shares (EUR 000)</b>
<b>Gross book value - April 1, 2015</b>	<b>153 658</b>
Additions for the year	250
Adjustment purchase price	<u>(1 401)</u>
<b>Gross book value March 31, 2016</b>	<b>152 507</b>
 <b>Accumulated value adjustment - April 1, 2015 to March 31, 2016</b>	 <b>0</b>
 <b>Net book value - April 1, 2015</b>	 <b><u>153 658</u></b>
<b>Net book value - March 31, 2016</b>	<b><u>152 507</u></b>

The adjustment in the purchase price is due to the subscription in May 21, 2014 of 1 share in Fanuc UK that was initially recognised with the exchange rate as of March 31, 2015 and was adjusted to recognise the purchase price converted at the exchange rate at the date of the transaction.



**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 5 - Finished goods and merchandise**

The composition of finished goods and goods for resale is as follows:

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
Robots	69 665 575	43 543 725
Spare parts - Robots	9 040 756	8 295 659
CNC Controls	24 960 563	24 831 391
Spare parts - CNC	21 135 787	10 219 988
Robomachine	25 297 627	16 634 230
Spare parts - Robomachine	<u>9 353 931</u>	<u>3 502 679</u>
<b>Total</b>	<b><u>159 454 239</u></b>	<b><u>107 027 672</u></b>

The obsolescence reserve on inventory amounts to EUR 9 376 270 as of March 31, 2016 (March 31, 2015: EUR 9 198 027).

No value adjustment has been recognised as of March 31, 2016 (March 31, 2015: EUR 50 556) so that inventory is recognised at the lower of acquisition cost or market value. No amount has been recorded under the caption "Reversal of value adjustments on current assets" (March 31, 2015: EUR 633 307).

**Note 6 - Other receivables**

The composition of other receivables is as follows:

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
Taxes on income and capital	6 834 431	11 453 474
VAT receivables	781 926	849 623
Other receivables	<u>191 419</u>	<u>117 228</u>
<b>Total</b>	<b><u>7 807 776</u></b>	<b><u>12 420 325</u></b>

As of March 31, 2016, the Company has a receivable related to the corporate income tax classified in other receivables for an amount of EUR 6 834 431 (March 31, 2015: EUR 11 453 474).

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 7 - Capital and reserves**

The movements in shareholders' equity from April 1, 2015 to March 31, 2016 are summarized in the table below, and discussed hereafter.

	<b>Opening balance April 1, 2015 EUR</b>	<b>Result Allocation EUR</b>	<b>Profit for the year EUR</b>	<b>Dividend Payment EUR</b>	<b>Closing balance March 31, 2016 EUR</b>
Subscribed capital	110 961 000	0	0	0	110 961 000
Share premium	191 882 848	0	0	0	191 882 848
Legal reserve	4 696 333	1 345 814	0	0	6 132 581
Other reserves	11 610 000	1 800 000	0	0	13 410 000
Profit or loss brought forward	16 084 831	23 770 456	0	(32 666 854)	7 098 000
Result for the financial year	<u>26 916 271</u>	<u>(26 916 271)</u>	<u>88 023 064</u>	<u>0</u>	<u>88 023 064</u>
<b>Total</b>	<b><u>362 151 283</u></b>	<b><u>0</u></b>	<b><u>88 023 064</u></b>	<b><u>(32 666 854)</u></b>	<b><u>417 507 493</u></b>

**7.1 Subscribed capital**

The Company's authorized and issued share capital amounting to EUR 110 961 000 is represented by 110 961 shares with a nominal value of EUR 1 000 each.

**7.2 Share premium**

The share premium amounts to EUR 191 882 848 and results from the merger by absorption of FANUC FA Europe S.A. and the contribution in kind of the shares of FANUC Robomachine Europe GmbH and Fanuc Automation LLC.

**7.3 Legal reserve**

Luxembourg Companies are required to allocate at least five percent of the annual net profit to a legal reserve until this reserve reaches ten percent of the issued share capital. The legal reserve is not available for dividend distribution.

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 7 - Capital and reserves (cont.)****7.4 Other reserves**

The Company reduced its Net Wealth Tax liability for the year 2010 in accordance with paragraph 8a of the Luxembourg Net Wealth Tax law. The Company allocates under other reserves an amount that corresponds to five times the amount of reduction of the Net Wealth Tax. This reserve is non-distributable for a period of five years from the year following that during which the Net Wealth Tax was reduced.

This special reserve as at end of the years is analysed as follows:

	<b>March 31, 2016 EUR</b>	<b>March 31, 2015 EUR</b>
Allocation for the period ended March 31, 2010 for FANUC FA	0	3 700 000
Allocation for the year ended March 31, 2011 for FANUC FA	4 300 000	4 300 000
Allocation for the year ended March 31, 2012 for FANUC FA	3 610 000	3 610 000
Allocation for the year ended March 31, 2016	<u>5 500 000</u>	<u>0</u>
<b>Total special reserve</b>	<b><u>13 410 000</u></b>	<b><u>11 610 000</u></b>

**Note 8 - Provision for pension and similar obligations**

The Company has accrued for an unfunded pension plan for its employees. As of March 31, 2016, a provision of EUR 1, 883,386 (March 31, 2015: EUR 2 131 423) was recorded based on an assessment prepared by an independent actuary in accordance with Luxembourg law.

**Note 9 - Other provisions**

As of March 31, 2016, the warranty provision recorded under the caption "Other provisions" amounts to EUR 5 861 181 (March 31, 2015: EUR 5 429 031) representing expected costs to be incurred related to sales made in 2016 and prior years. The provision is based on historical warranty costs typically incurred within the warranty period. The warranty provision is subject to negotiation with the customer, and usually granted for periods of 1 to 2 years. In the profit and loss account, warranty costs are included in the caption "Consumption of goods for resale". The Company continuously monitors its per-unit rates of accrual for warranty costs.

The provision for bonus payment amounts to EUR 6 359 671 (March 31, 2015: EUR 5 217 535).

As at March 31, 2016, the Company has made a provision for onerous contracts related to the orders already made by customers for an amount of EUR 2 018 734 for which it has been estimated that the Company will incur a loss.

## FANUC Europe Corporation

### Notes to the annual accounts (cont.)

#### Note 10 - Related party transactions

The Company sells to its affiliated undertakings robots, CNC controls, lasers, cutting machines, drilling machines and plastic injection machines as well as related spare parts, software and equipment. Those products are purchased from Group companies, mainly from the parent company FANUC Corporation, Japan.

The Company also provides related services and support activities to its affiliated undertakings.

Amounts due from affiliated undertakings as of March 31, 2016 of EUR 47 321 368 (March 31, 2015: EUR 46 618 383) include receivables from sales.

Amounts due to affiliated undertakings as of March 31, 2016 of EUR 146 660 763 (March 31, 2015: EUR 162 975 351) include amounts related to charges for warranty obligations, sales support, management fees and purchases of factory automation products and systems.

Amounts owed from/to affiliated undertakings are related to the above transactions and are due by/to the Group companies within one year.

In addition, the Company paid/received interests to/from affiliated undertakings during the year in relation to the cash pooling account managed by the Company for its affiliated undertakings.

#### Note 11 - Staff

As of March 31, 2016, FEC employed 216 full time employees (March 31, 2015: 185).

#### Note 12 - Net Turnover

	For the year ended March 31, 2016 EUR	For the year ended March 31, 2015 EUR
<b>Categories of activities</b>		
Sales of Robots	221 296 652	185 732 631
Sales of CNC controls	110 119 224	115 538 105
Sales of Robomachine	70 412 063	50 754 004
Other Sales (parts, training, service)	83 174 342	61 724 882
<b>Total</b>	<b><u>485 002 281</u></b>	<b><u>413 749 622</u></b>

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 12 - Net Turnover (cont.)**

	<b>For the year ended March 31, 2016 EUR</b>	<b>For the year ended March 31, 2015 EUR</b>
<b>Geographical Markets</b>		
Germany	146 284 438	114 228 157
France	68 761 502	56 333 714
United Kingdom	25 662 853	32 311 259
Italy	78 970 402	68 194 850
Spain	34 839 376	29 423 351
Belgium	18 900 716	15 443 379
Switzerland	38 652 254	43 174 415
Eastern Europe Countries	52 296 589	38 612 425
Sweden	6 931 040	7 605 518
Other	<u>13 703 111</u>	<u>8 422 554</u>
<b>Total</b>	<b><u>485 002 281</u></b>	<b><u>413 749 622</u></b>

**Note 13 - Income from financial fixed assets**

For the year ended March 31, 2016 the Company received dividend income of EUR 77 674 000 (March 31, 2015: EUR 13 371 206) from its subsidiaries.

**Note 14 - Taxes**

As of March 31, 2016, the Company has an accrual of EUR 110 437 (March 31, 2015: EUR 19 933), classified in tax debts, which relates to payroll taxes and VAT and an accrual of EUR 12 571 138 (March 31, 2015: EUR 8 524 589) classified as well in tax debts, related to net wealth taxes and income taxes.

**Note 15 - Commitments and contingencies****15.1 Guarantees**

The Company provides bank guarantees to cover prepayments received by customers or bank guarantees related to the proper execution of the delivery of goods and the rendering of services. As of March 31, 2016, total bank guarantees amount to EUR 3 075 068 (March 31, 2015: EUR 443 994).

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 15 - Commitments and contingencies (cont.)****15.2 Lease commitments**

The Company has leased certain buildings and vehicles. The majority of the lease terms are between 3 years and 4 years and are operational leases that are renewable at the end of the lease period. The future minimum lease payments under non-cancellable are as follows:

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
within 1 year	425 691	310 385
Between 1 - 2 years	330 307	235 098
Between 2 - 3 years	235 836	149 210
Between 3 - 4 years	<u>82 036</u>	<u>60 202</u>
<b>Total</b>	<b><u>1 073 870</u></b>	<b><u>754 895</u></b>

**15.3 Purchase commitments**

As of March 31, 2016, the Company has outstanding purchase commitments to the Parent Company for a total amount of EUR 66.9 million (March 31, 2015: EUR 86.5 million).

**15.4 Credit Lines**

As at March 31, 2016, the Company has credit facilities for clients' credit orders from banks of EUR 5.35 million (as at March 31, 2015: EUR 4 million) thereof EUR 2.2 million were not drawn (as at March 31, 2015: EUR 3.8 million).

**15.5 Contingencies**

The Company has no contingent liabilities in respect of legal claims arising in the ordinary course of business.

**FANUC Europe Corporation****Notes to the annual accounts (cont.)****Note 16 - Auditor's remuneration**

The total fees accrued by the Company and paid to the audit firm are presented as follow:

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
Audit fees (local audit, group reporting, review of consolidation financial statements)	156 231	153 000
Audit-related fees	68 929	65 000
Tax related fees	<u>131 969</u>	<u>234 950</u>
<b>Total</b>	<b><u>357 129</u></b>	<b><u>452 950</u></b>